# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:3186
ANSWERED ON:08.12.2000
EXTERNAL COMMERCIAL BORROWINGS
PRABHUNATH SINGH

**Will the Minister of FINANCE be pleased to state:**

(a) whether Reliance Sterlite Industries, Tata Electric,Essar Oil etc. collected a sum amounting to 842.21 million US dollarsas external commercial borrowings and did not repatriate the same into the country as is required under the provisions of FERA/FEMA ;

(b) if so, the dates on which these companies raised the funds abroad under ECB giving the extracts of the provisions from FERA/FEMA and the reasons for not repatriating the money into the country; and

(c) the action taken by the Government against the defaulting companies?

## Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL )

(a),(b) & (c): Information is being collected and will be laid on the table of the House.

(a): Reliance Industries Ltd., Sterlite Industries Ltd.,Tata Electric, & Essar Oil Ltd had raised ECBsaggregating USD 1547 million + GBP 150 million. Except M/s. Essar Oils Ltd., other companies have since repatriated ECB proceeds retained abroad. M/s. Essar Oil ,who were given permission by RBI for retention proceeds abroad upto December, 2000, have sought further extension upto June, 2001. Their request is under examination of RBI.

(b) & (c): Dates on which above companies raised ECBs aregiven in Attachment. Raising funds abroad was governed by Section 8 of FERA, 1973. RBI has taken a general view that the irregularities committed by the companies inretaining funds abroad beyond the stipulated period may not be construed as warranting action under FERA 1973/FEMA, 1999, as the ECB proceeds held abroad have since been repatriated.

No delay as assurance is being fulfilled within stipulated period.

| Sl.No. | Name of the Borrower | Amount (USD million) | Details of Disbursement/ Draw down |
|---|---|---|---|
| 1. | Sterlite Industries Ltd. | 81.00 | 05-06-1997 |
| 2. | Tata Electric Companies | 300.00 | August, 1997 |
| 3. | Essar Oil Ltd. | 102.00Dec., | 1998 toJan., 1999. |
| 4. | Reliance Industries Ltd. | 150.00 | 27-09-1995 |
| | 200.00 | | 24-06-1996 |
| | 100.00 | | 06-08-1996 |
| | 214.00 | | 15-01-1997 |
| | 100.00 | | 15-01-1997 |
| | 150.00 | | 28-07-1997 |
| | GBP 150.00 million | | 13-08-1997 |
| | 150.00 | | 25-08-1997 |